



3015 (02-02-05)

ANNUAL REPORT

OF

Name: CITY OF LOYAL MUNICIPAL WATER UTILITY

Principal Office: 301 NORTH MAIN STREET
P.O. BOX 9
LOYAL, WI 54446

For the Year Ended: DECEMBER 31, 2005

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: CITY OF LOYAL MUNICIPAL WATER UTILITY

Utility Address: 301 NORTH MAIN STREET

P.O. BOX 9

LOYAL, WI 54446

When was utility organized? 1/1/1916

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MS LISA RUETH

Title: CITY CLERK TREASURER

Office Address:

301 N MAIN STREET

P.O. BOX 9

LOYAL, WI 54446

Telephone: (715) 255 - 8772

Fax Number: (715) 255 - 8733

E-mail Address:

Individual or firm, if other than utility employee, preparing this report:

Name:

Title: CERTIFIED PUBLIC ACCOUNTANTS

Office Address: CLIFTON GUNDERSON LLP

435 JULIE STREET

P.O. BOX 547

TOMAH, WI 54660

Telephone: (608) 372 - 2177

Fax Number: (608) 372 - 5462

E-mail Address: debra.welch@cliftoncpa.com

President, chairman, or head of utility commission/board or committee:

Name: MR ROD KOWALCZYK

Title:

Office Address:

318 SOUTH UNION STREET

LOYAL, WI 54446

Telephone: (715) 255 - 9287

Fax Number: (715) 255 - 8733

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? YES

IDENTIFICATION AND OWNERSHIP

Individual or firm, if other than utility employee, auditing utility records:

Name:**Title:** CERTIFIED PUBLIC ACCOUNTANTS**Office Address:** CLIFTON GUNDERSON LLP

435 JULIE STREET

P.O. BOX 547

TOMAH, WI 54660

Telephone: (608) 372 - 2177**Fax Number:** (608) 372 - 5462**E-mail Address:****Date of most recent audit report:** 3/22/2006**Period covered by most recent audit:** YEAR ENDED DECEMBER 31, 2005

Names and titles of utility management including manager or superintendent:

Name: MR TOM DUELL**Title:** PUBLIC WORKS DIRECTOR**Office Address:**

301 N MAIN STREET

P.O. BOX 9

LOYAL, WI 54446

Telephone: (715) 255 - 8772**Fax Number:** (715) 255 - 8733**E-mail Address:**

Name of utility commission/committee: UTILITY COMMITTEE

Names of members of utility commission/committee:

MR MILTON KNACK, COMMITTEE MEMBER

MR ROD KOWALCZYK, COMMITTEE MEMBER

MS CAROL LAMPSA, COMMITTEE MEMBER

Is sewer service rendered by the utility? NO**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.0819 of the Wisconsin Statutes?** NO**Date of Ordinance:**

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	146,791	141,879	1
Operating Expenses:			
Operation and Maintenance Expense (401)	106,829	71,052	2
Depreciation Expense (403)	18,181	17,374	3
Amortization Expense (404)	0	0	4
Taxes (408)	22,614	22,507	5
Total Operating Expenses	147,624	110,933	
Net Operating Income	(833)	30,946	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(833)	30,946	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	1,790	907	9
Miscellaneous Nonoperating Income (421)	0	28,662	10
Total Other Income	1,790	29,569	
Total Income	957	60,515	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(3,631)	(3,631)	11
Other Income Deductions (426)	3,200	3,032	12
Total Miscellaneous Income Deductions	(431)	(599)	
Income Before Interest Charges	1,388	61,114	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	9,830	10,763	13
Amortization of Debt Discount and Expense (428)	109	109	14
Amortization of Premium on Debt--Cr. (429)	0	0	15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0	0	18
Total Interest Charges	9,939	10,872	
Net Income	(8,551)	50,242	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	440,721	390,875	19
Balance Transferred from Income (433)	(8,551)	50,242	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	713	396	23
Appropriations of Income to Municipal Funds--Debit (439)			24
Total Unappropriated Earned Surplus End of Year (216)	431,457	440,721	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
UTILITY OPERATING INCOME				
Operating Revenues (400):				
Derived	146,791		146,791	1
Total (Acct. 400):	146,791	0	146,791	
Operation and Maintenance Expense (401):				
Derived	106,829		106,829	2
Total (Acct. 401):	106,829	0	106,829	
Depreciation Expense (403):				
Derived	18,181		18,181	3
Total (Acct. 403):	18,181	0	18,181	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	22,614		22,614	5
Total (Acct. 408):	22,614	0	22,614	
Revenues from Utility Plant Leased to Others (412):				
NONE	0		0	6
Total (Acct. 412):	0	0	0	
Expenses of Utility Plant Leased to Others (413):				
NONE	0		0	7
Total (Acct. 413):	0	0	0	
TOTAL UTILITY OPERATING INCOME:	(833)	0	(833)	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Nonoperating Rental Income (418):				
NONE	0		0	9
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
INTEREST FROM SAVINGS AND ASSESSMENT	1,290	500	1,790	10
Total (Acct. 419):	1,290	500	1,790	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water			0	11

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
NONE	0	0	0 12
Total (Acct. 421):	0	0	0
TOTAL OTHER INCOME:	1,290	500	1,790

MISCELLANEOUS INCOME DEDUCTIONS

Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(3,631)		(3,631) 13
NONE	0	0	0 14
Total (Acct. 425):	(3,631)	0	(3,631)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water		3,200	3,200 15
NONE	0	0	0 16
Total (Acct. 426):	0	3,200	3,200
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(3,631)	3,200	(431)

INTEREST CHARGES

Interest on Long-Term Debt (427):			
Derived	9,830		9,830 17
Total (Acct. 427):	9,830	0	9,830
Amortization of Debt Discount and Expense (428):			
AMORTIZATION FOR THE YEAR	109		109 18
Total (Acct. 428):	109	0	109
Amortization of Premium on Debt--Cr. (429):			
NONE	0		0 19
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0		0 20
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	0		0 21
Total (Acct. 431):	0	0	0

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Interest Charged to Construction--Cr. (432):			
NONE	0		0 22
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	9,939	0	9,939
NET INCOME:	(5,851)	(2,700)	(8,551)
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	303,428	137,293	440,721 23
Total (Acct. 216):	303,428	137,293	440,721
Balance Transferred from Income (433):			
Derived	(5,851)	(2,700)	(8,551) 24
Total (Acct. 433):	(5,851)	(2,700)	(8,551)
Miscellaneous Credits to Surplus (434):			
NONE	0	0	0 25
Total (Acct. 434):	0	0	0
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 26
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215	713		713 27
Total (Acct. 436)--Debit:	713	0	713
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	296,864	134,593	431,457

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):						
NONE					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	146,791	0	0	0	146,791	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify: NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	146,791	0	0	0	146,791	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,135,771	1,025,494	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	409,595	387,865	2
Net Utility Plant	726,176	637,629	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	5
Other Investments (124)	15,634	17,759	6
Special Funds (125)	27,206	26,493	7
Total Other Property and Investments	42,840	44,252	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	68,103	84,799	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	24,530	23,494	11
Other Accounts Receivable (143)	2,500	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	20,495	13,707	14
Materials and Supplies (150)	5,075	5,986	15
Prepayments (165)	173	122	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	120,876	128,108	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	862	971	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	19,854	26,538	20
Total Deferred Debits	20,716	27,509	
Total Assets and Other Debits	910,608	837,498	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	154,275	42,958	21
Appropriated Earned Surplus (215)	27,206	26,493	22
Unappropriated Earned Surplus (216)	431,457	440,721	23
Total Proprietary Capital	612,938	510,172	
LONG-TERM DEBT			
Bonds (221)	135,000	147,000	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	69,908	78,428	26
Total Long-Term Debt	204,908	225,428	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	1,742	1,820	28
Payables to Municipality (233)	20,909	26,333	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	3,641	3,974	32
Other Current and Accrued Liabilities (238)	1,113	783	33
Total Current and Accrued Liabilities	27,405	32,910	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	65,357	68,988	36
Total Deferred Credits	65,357	68,988	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	910,608	837,498	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
First of Year:					
Total Utility Plant - First of Year	1,025,494	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (100.1)	918,825	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	216,946	0	0	0	3
Utility Plant Purchased or Sold (391)					4
Utility Plant in Process of Reclassification (392)					5
Utility Plant Leased to Others (393)					6
Property Held for Future Use (394)					7
Construction Work in Progress (395)					8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	1,135,771	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (110.1)	326,742	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	82,853	0	0	0	12
Total Accumulated Provision	409,595	0	0	0	
Net Utility Plant	726,176	0	0	0	

**ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF UTILITY PLANT ON UTILITY PLANT
FINANCED BY UTILITY OPERATIONS OR BY THE MUNICIPALITY
(ACCT. 110.1)**

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	308,212				308,212	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	18,181				18,181	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	1,389				1,389	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	19,570	0	0	0	19,570	16
Debits during year						17
Book cost of plant retired	1,040				1,040	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	1,040	0	0	0	1,040	25
Balance end of year (110.1)	326,742	0	0	0	326,742	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT ON CONTRIBUTED PLANT IN SERVICE (ACCT. 110.2)

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	79,653				79,653	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	3,200				3,200	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	3,200	0	0	0	3,200	16
Debits during year						17
Book cost of plant retired	0				0	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	0	0	0	0	0	25
Balance end of year (110.1)	82,853	0	0	0	82,853	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	5,075	5,986	2
Sewer utility		0	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	5,075	5,986	

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
74 Mortgage revenue bonds	109	428	862	1
Total			862	
Unamortized premium on debt (251)				
NONE				2
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	42,958	1
Changes during year (explain):		
CITY VIEW ESTATE--MAINS, SERVICES, HYDRANTS ADDED	111,317	2
Balance end of year	154,275	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
'74 MORTGAGE REVENUE BONDS	03/20/1974	01/01/2013	5.00%	135,000	1
Total Bonds (Account 221):				135,000	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
CITIZEN BANK	11/26/2002	11/26/2012	3.97%	69,908	1
Total for Account 224				69,908	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	22,614	2
Charged electric department expense		3
Charged sewer department expense	424	4
Other (explain):		
NONE		5
Total Accruals and other credits	23,038	
Taxes paid during year:		
County, state and local taxes	20,785	6
Social Security taxes	2,134	7
PSC Remainder Assessment	119	8
Other (explain):		
NONE		9
Total payments and other debits	23,038	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
74 Mortgage revenue bonds	3,675	6,750	7,050	3,375	1
Subtotal	3,675	6,750	7,050	3,375	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
CITIZEN BANK	299	3,080	3,113	266	3
Subtotal	299	3,080	3,113	266	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	3,974	9,830	10,163	3,641	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
INVESTMENT IN ELECTRIC COOP	7,634	2
SPECIAL ASSESSMENT RECEIVABLE-LG TERM PORTION	8,000	3
Total (Acct. 124):	15,634	
Special Funds (125):		
DEPRECIATION AND RESERVE ACCOUNTS	27,206	4
Total (Acct. 125):	27,206	
Notes Receivable (141):		
NONE		5
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	24,530	6
Electric		7
Sewer (Regulated)		8
Other (specify):		
NONE		9
Total (Acct. 142):	24,530	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		10
Merchandising, jobbing and contract work		11
Other (specify):		
SPECIAL ASSESSMENT AND INTEREST RECEIVABLE-CURRENT	2,500	12
Total (Acct. 143):	2,500	
Receivables from Municipality (145):		
DUE FROM CITY GENERAL-DELINQUENT BILLINGS PUT ON TAX ROLL	6,855	13
DUE FROM CITY-GENERAL-ADDITIONAL FIRE PROTECTION	1,681	14
DUE FROM CITY - OTHER OLD ITEMS	2,439	15
DUE FROM SEWER-ALLOCATED METER EXP 2004 AND 2005	5,761	16
DUE FROM SEWER-BILL PD IN ERROR SHOULD HAVE BEEN SEWER'S	2,865	17
DUE FROM SEWER- MISC OTHER SMALL ITEMS	894	18
Total (Acct. 145):	20,495	
Prepayments (165):		
PREPAID INSURANCE	173	19
Total (Acct. 165):	173	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Extraordinary Property Losses (182):		
NONE		20
Total (Acct. 182):	0	
Other Deferred Debits (183):		
WATER TOWER PAINTING	19,854	21
Total (Acct. 183):	19,854	
Payables to Municipality (233):		
DUE TO SEWER-A/R COLLECTIONS FROM 2005	7,586	22
DUE TO SEWER- CONSTRUCTION COSTS FROM 2004 NOT YET REIMBURSED	13,166	23
DUE TO SEWER- MISC OTHER	157	24
Total (Acct. 233):	20,909	
Other Deferred Credits (253):		
Regulatory Liability	65,357	25
NONE		26
Total (Acct. 253):	65,357	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include contributed plant in service, property held for future use, or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service (100.1)	863,686	0	0	0	863,686	1
Materials and Supplies	5,530	0	0	0	5,530	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (110.1)	317,477	0	0	0	317,477	4
Customer Advances for Construction					0	5
Regulatory Liability	67,172	0	0	0	67,172	6
NONE					0	7
Average Net Rate Base	484,567	0	0	0	484,567	
Net Operating Income	(833)	0	0	0	(833)	8
Net Operating Income as a percent of						
Average Net Rate Base	-0.17%	N/A	N/A	N/A	-0.17%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

NONE

FULL-TIME EMPLOYEES (FTE)

Use FTE numbers where FTE stands for full-time employees or full-time equivalency. FTE can be computed by using total hours worked/2080 hours for a fiscal year. Estimate to the nearest tenth. If an employee works part time for more than one industry then determine FTE based on estimate of hours worked per industry.

Example: An employee worked 35% of their time on electric jobs, 30% on water jobs, 20% on sewer jobs and 15% on municipal nonutility jobs. The FTE by industry would be .4 for electric, .3 for water and .2 for sewer.

Industry (a)	FTE (b)	
Water	0.7	1
Electric		2
Gas		3
Sewer		4

**REGULATORY LIABILITY - PRE-2003 HISTORICAL
ACCUMULATED DEPRECIATION ON CONTRIBUTED UTILITY
PLANT (253)**

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Balance First of Year	68,988	0	0	0	68,988	1
Add credits during year:						
NONE					0	2
Deduct charges:						
Miscellaneous Amortization (425)	3,631	0	0	0	3,631	3
Other (specify):						
NONE					0	4
Balance End of Year	65,357	0	0	0	65,357	

FINANCIAL SECTION FOOTNOTES

Balance Sheet End-of-Year Account Balances (Page F-18)

Other Deferred Debits (Acct 183): amortization requires PSC authorization. Provide date of authorization.

UTILITY RECEIVED APPROVAL TO AMORTIZE PAINTING OF WATER TOWER OVER A SEVEN YEAR PERIOD VIA A LETTER DATED 3/20/2003.

Please explain amounts in Accounts 143, 145 and/or 233 in excess of \$2,000, providing a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

DONE

Identification and Ownership - Contacts (Page iv)

General footnotes

CITY COUNCIL
LOYAL MUNICIPAL WATER UTILITY
LOYAL, WISCONSIN

ACCOUNTANT'S REPORT

WE HAVE COMPILED LOYAL MUNICIPAL WATER UTILITY ANNUAL REPORT INCLUDED IN THE ACCOMPANYING PRESCRIBED FORM FOR THE CITY OF LOYAL, WISCONSIN AS OF DECEMBER 31, 2005 AND FOR THE YEAR THEN ENDED, IN ACCORDANCE WITH STATEMENTS ON STANDARDS FOR ACCOUNTING AND REVIEW SERVICES ISSUED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

OUR COMPILATION WAS LIMITED TO PRESENTING IN THE FORM PRESCRIBED BY THE PUBLIC SERVICE COMMISSION INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR REVIEWED THE REPORT REFERRED TO ABOVE AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON IT.

THIS REPORT IS PRESCRIBED IN ACCORDANCE WITH THE REQUIREMENTS OF THE PUBLIC SERVICE COMMISSION WHICH DIFFER FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. ACCORDINGLY, THIS REPORT IS NOT DESIGNED FOR THOSE WHO ARE NOT INFORMED ABOUT SUCH DIFFERENCES.

CLIFTON GUNDERSON LLP

TOMAH, WISCONSIN
MARCH 22, 2006

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	145,451	140,229	1
Total Sales of Water	145,451	140,229	
Other Operating Revenues			
Forfeited Discounts (470)	0	37	2
Other Water Revenues (474)	1,340	1,613	3
Total Other Operating Revenues	1,340	1,650	
Total Operating Revenues	146,791	141,879	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	74,887	44,010	4
General Operating Expenses (680-690)	31,942	27,042	5
Total Operation and Maintenance Expenses	106,829	71,052	
Other Operating Expenses			
Depreciation Expense (403)	18,181	17,374	6
Amortization Expense (404)		0	7
Taxes (408)	22,614	22,507	8
Total Other Operating Expenses	40,795	39,881	
Total Operating Expenses	147,624	110,933	
NET OPERATING INCOME	(833)	30,946	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered, or measured by tank or pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (either Account 461 or Account 464).
5. Other accounts: see application Help files for details.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	473	19,249	69,353	4
Commercial	78	4,943	15,472	5
Industrial	4	140	513	6
Total Metered Sales to General Customers (461)	555	24,332	85,338	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		54,062	8
Other Sales to Public Authorities (464)	8	1,646	6,051	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	564	25,978	145,451	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1 or Fd-1)	54,062	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	54,062	
Forfeited Discounts (470):		
Customer late payment charges		5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	0	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	1,092	7
Other (specify):		
PATRONAGE REFUND FROM COOP	236	8
OTHER MISC CHARGES TO CUSTOMERS	12	9
Total Other Water Revenues (474)	1,340	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
PLANT OPERATION AND MAINTENANCE EXPENSES			
Salaries and Wages (600)	15,298	15,744	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	9,938	8,499	3
Chemicals (630)	4,730	6,020	4
Supplies and Expenses (640)	13,545	4,473	5
Repairs of Water Plant (650)	31,376	9,274	6
Transportation Expenses (660)		0	7
Total Plant Operation and Maintenance Expenses	74,887	44,010	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	12,599	9,833	8
Office Supplies and Expenses (681)	1,134	235	9
Outside Services Employed (682)	2,500	3,500	10
Insurance Expense (684)	5,259	4,632	11
Employees Pensions and Benefits (686)	10,190	8,647	12
Regulatory Commission Expenses (688)		0	13
Miscellaneous General Expenses (689)	260	0	14
Uncollectible Accounts (690)	0	195	15
Total General Operating Expenses	31,942	27,042	
Total Operation and Maintenance Expenses	106,829	71,052	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	This Year (c)	Last Year (d)	
Property Tax Equivalent		20,785	20,785	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		424	421	2
Net property tax equivalent		20,361	20,364	
Social Security		2,134	1,974	3
PSC Remainder Assessment		119	169	4
Other (specify): NONE			0	5
Total tax expense		22,614	22,507	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service (total of utility financed and contributed plant), property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.0811(2). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Clark				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.232590				3
County tax rate	mills		9.093620				4
Local tax rate	mills		10.412180				5
School tax rate	mills		10.772320				6
Voc. school tax rate	mills		2.396030				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		32.906740				10
Less: state credit	mills		1.432900				11
Net tax rate	mills		31.473840				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		10.412180				14
Combined School Tax Rate	mills		13.168350				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		23.580530				17
Total Tax Rate	mills		32.906740				18
Ratio of Local and School Tax to Total	dec.		0.716587				19
Total tax net of state credit	mills		31.473840				20
Net Local and School Tax Rate	mills		22.553733				21
Utility Plant, Jan. 1	\$	1,025,494	1,025,494				22
Materials & Supplies	\$	5,986	5,986				23
Subtotal	\$	1,031,480	1,031,480				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	1,031,480	1,031,480				26
Assessment Ratio	dec.		0.806900				27
Assessed Value	\$	832,301	832,301				28
Net Local & School Rate	mills		22.553733				29
Tax Equiv. Computed for Current Year	\$	18,771	18,771				30
Tax Equivalent per 1994 PSC Report	\$	20,785					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	20,785					34

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	2,302		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	40,162		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	42,464	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	18,271		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	38,870		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	16,841		20
Total Pumping Plant	73,982	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	8,065		23
Total Water Treatment Plant	8,065	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			2,302	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			40,162	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	42,464	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			18,271	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			38,870	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			16,841	20
Total Pumping Plant	0	0	73,982	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			8,065	23
Total Water Treatment Plant	0	0	8,065	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	600		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	95,204		26
Transmission and Distribution Mains (343)	371,880	77,801	27
Fire Mains (344)	0		28
Services (345)	68,773	16,931	29
Meters (346)	46,623		30
Hydrants (348)	63,407	16,585	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	646,487	111,317	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	0		35
Computer Equipment (372.1)	2,495		36
Transportation Equipment (373)	12,165		37
Other General Equipment (379)	22,890		38
Other Tangible Property (390)	0		39
Total General Plant	37,550	0	
Total utility plant in service directly assignable	808,548	111,317	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	808,548	111,317	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			600	24
Structures and Improvements (341)			0	25
Distribution Reservoirs and Standpipes (342)			95,204	26
Transmission and Distribution Mains (343)			449,681	27
Fire Mains (344)			0	28
Services (345)			85,704	29
Meters (346)	640		45,983	30
Hydrants (348)	400		79,592	31
Other Transmission and Distribution Plant (349)			0	32
Total Transmission and Distribution Plant	1,040	0	756,764	
GENERAL PLANT				
Land and Land Rights (370)			0	33
Structures and Improvements (371)			0	34
Office Furniture and Equipment (372)			0	35
Computer Equipment (372.1)			2,495	36
Transportation Equipment (373)			12,165	37
Other General Equipment (379)			22,890	38
Other Tangible Property (390)			0	39
Total General Plant	0	0	37,550	
Total utility plant in service directly assignable	1,040	0	918,825	
Common Utility Plant Allocated to Water Department			0	40
Total utility plant in service	1,040	0	918,825	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	13,134		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	13,134	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	0		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	0		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	0	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			0	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			13,134	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	13,134	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			0	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			0	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	0	0	0	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			0	23
Total Water Treatment Plant	0	0	0	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	30,020		26
Transmission and Distribution Mains (343)	134,986		27
Fire Mains (344)	0		28
Services (345)	20,900		29
Meters (346)	0		30
Hydrants (348)	17,906		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	203,812	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	0		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	0		38
Other Tangible Property (390)	0		39
Total General Plant	0	0	
Total utility plant in service directly assignable	216,946	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	216,946	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			30,020 26
Transmission and Distribution Mains (343)			134,986 27
Fire Mains (344)			0 28
Services (345)			20,900 29
Meters (346)			0 30
Hydrants (348)			17,906 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	203,812
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			0 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	0	216,946
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	216,946

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Expanded definitions of the three types of accounted-for water reported on this schedule are included in the schedule Help and in the Reference Manual Schedule Reference Sheet.

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			3,423	3,423	1
February			3,071	3,071	2
March			3,495	3,495	3
April			3,283	3,283	4
May			3,555	3,555	5
June			3,446	3,446	6
July			3,835	3,835	7
August			3,707	3,707	8
September			3,324	3,324	9
October			3,516	3,516	10
November			3,388	3,388	11
December			3,679	3,679	12
Total annual pumpage	0	0	41,722	41,722	
Less: Water sold				25,978	13
Volume pumped but not sold				15,744	14
Volume sold as a percent of volume pumped				62%	15
Volume used for water production, water quality and system maintenance				1,000	16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales				3,000	18
Total volume not sold but accounted for				4,000	19
Volume pumped but unaccounted for				11,744	20
Percent of water lost				28%	21
If more than 25%, indicate causes:					22
Utility continues to search for why there is so much unaccounted for water. At this time they are unsure what is causing the loss.					
If more than 25%, state what action has been taken to reduce water loss:					23
Have had Rural Water professionals in looking for leaks, and checking flow. Also on a daily basis the utility is watching for any possible signs. At this time there is no known reason for the loss.					
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				169	24
Date of maximum: 1/12/2005					25
Cause of maximum:					26
Water break					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				81	27
Date of minimum: 11/28/2005					28
Total KWH used for pumping for the year				114,605	29
If water is purchased: Vendor Name:					30
Point of Delivery:					31

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
WELL	NO 1	34	18	41,000	Yes	1
WELL	NO 3	52	14	18,000	Yes	2
WELL	NO 4	57	10	12,000	Yes	3
WELL	NO 6	80	8	19,000	Yes	4
WELL	NO 7	40	12	14,000	Yes	5

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	WELL NO 1	WELL NO 3	WELL NO 4	1
Location	LOYAL	LOYAL	LOYAL	2
Purpose	P	P	P	3
Destination	R	R	R	4
Pump Manufacturer	JACCUZI	FAIR MORSE	BERKLEY	5
Year Installed	1988	1947	1950	6
Type	SUBMERSIBLE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	90	30	50	8
Pump Motor or Standby Engine Mfr	ELECTRIC MOTOR	ELECTRIC MOTOR	ELECTRIC MOTOR	9
Year Installed	1988	1947	1950	10
Type	ELECTRIC	ELECTRIC	ELECTRIC	11
Horsepower	8	8	10	12

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	WELL NO 6	WELL NO 7		14
Location	LOYAL	LOYAL		15
Purpose	P	P		16
Destination	R	R		17
Pump Manufacturer	STARITE	CRANE & DERNUNG		18
Year Installed	2000	1973		19
Type	SUBMERSIBLE	VERTICAL TURBINE		20
Actual Capacity (gpm)	50	35		21
Pump Motor or Standby Engine Mfr	ELECTRIC MOTOR	ELECTRIC MOTOR		22
Year Installed	2000	1973		23
Type	ELECTRIC	ELECTRIC		24
Horsepower	5	5		25

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	LOYAL		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
			3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		4
			5
Year constructed	1972		6
			7
Primary material (earthen, steel, concrete, other)	STEEL		8
			9
Elevation difference in feet (See Headnote 3.)	85		10
Total capacity in gallons (actual)	200,000		11
WATER TREATMENT PLANT			12
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		13
			14
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		15
			16
Filters, type (gravity, pressure, other, none)	NONE		17
			18
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	500.0000		19
			20
Is a corrosion control chemical used (yes, no)?	Y		21
			22
Is water fluoridated (yes, no)?	Y		23
			24
			25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	4.000	14,875	0	0	0	14,875	1
M	D	6.000	18,026	682	0	0	18,708	2
M	D	8.000	25,034	1,315	0	0	26,349	3
M	D	10.000	6,298	1,804	0	0	8,102	4
M	D	12.000	3,902	0	0	0	3,902	5
Total Within Municipality			68,135	3,801	0	0	71,936	
Total Utility			68,135	3,801	0	0	71,936	

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	498	0	0	0	498	30	1
M	1.000	125	31	0	0	156	61	2
M	1.250	2	0	0	0	2		3
M	1.500	4	0	0	0	4		4
M	2.000	9	0	0	0	9		5
M	4.000	1	0	0	0	1		6
Total Utility		639	31	0	0	670	91	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).
5. Explain all reported adjustments as a schedule footnote.

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	586	0	16	5	575	32	1
1.000	12	0	0	0	12	0	2
1.500	4	0	0	0	4	0	3
2.000	7	0	0	0	7	4	4
3.000	3	0	0	0	3	0	5
4.000	3	0	0	0	3	2	6
Total:	615	0	16	5	604	38	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	470	65	4	5	0	31	575	1
1.000	0	9	0	1	0	2	12	2
1.500	0	2	0	0	0	2	4	3
2.000	0	4	0	1	2	0	7	4
3.000	0	0	0	2	0	1	3	5
4.000	0	0	0	1	1	1	3	6
Total:	470	80	4	10	3	37	604	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	87	5	1		91	2
Total Fire Hydrants	87	5	1	0	91	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

NR811.08(5) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year.

Number of hydrants operated during year:	75
Number of distribution system valves end of year:	228
Number of distribution valves operated during year:	228

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

For values that represent an increase or a decrease when compared to the previous year of greater than 30%, but not less \$2,000, please explain.

A/C 640-Supplies and expense

Increased in 2005 by \$8,238. Increase reflects large every other year extensive water testing of \$7,129.

A/C 650-Repairs and maintenance

Increased in 2005 by \$22,102. During 2005 the Utility drilled a test well that resulted in a non-usable well. Cost of the test well was \$19,692.

Water Utility Plant in Service --Plant Financed by Utility or Municipality-- (Page W-08)

If Additions for Accounts OTHER than 316, 343, 345, 346 and 348 exceed \$10,000, please explain. If applicable, provide construction authorization.

Additions within A/C 343(mains); A/C 345(services); and A/C 346(hydrants) were all added in relation to a subdivision development financed by the City. See statistic pages for quantities.

Water Mains (Page W-17)

If Added During Year column total is greater than zero, please explain financing following the criteria listed in the schedule headnote No. 5.

MAINS WERE ADDED THROUGH A SUBDIVISION DEVELOPMENT PROJECT FINANCED BY THE MUNICIPALITY.

Water Services (Page W-18)

If net additions are greater than zero, please explain financing by following criteria listed in schedule headnote No. 3.

SERVICES WERE ADDED THROUGH A SUBDIVISION DEVELOPMENT PROJECT PAID FOR BY THE MUNICIPALITY.

Meters (Page W-19)

Explain all reported adjustments.

Adjustments reflect correction of prior inventory counts. No dollars added due to fact all meters are capitalized as purchased.

Explain program for replacing or testing meters 1" or smaller.

Utility attempts to test 1" and smaller meters every 10 years.

Ss. PSC 185.83(2) states "Station meters shall be maintained to ensure reasonable accuracy and shall have the accuracy checked at least once every 2 years." Are all station meters being tested every two years? Answer yes or no. If no, please explain.

Yes, station meters are tested every two years.
